

HONOLULU ADVERTISER (HI)  
16 October 1984

# ⑥ Rewald given 2 attorneys, but must pitch in on cost

By Walter Wright  
*Advertiser Staff Writer*

Two attorneys yesterday were named to represent Ronald Rewald at the taxpayers' expense, but Rewald was ordered to pay part of his \$1,000-a-week salary and any proceeds from his life story to offset the cost.

U.S. Magistrate Joseph Gedan named Federal Public Defender Michael R. Levine and California attorney Brent Carruth to defend Rewald against 100 counts of fraud, perjury and income tax evasion.

But both attorneys have to survive conflict of interest challenges by the prosecution.

Rewald told the court he had contacted dozens of attorneys, who asked for \$80,000 on up, and found none he could afford to hire on his own.

He also said he is moving out of his \$3,600-a-month Tudor style mansion in Los Angeles' Hancock Park area, and his wife is turning in the \$700-a-month leased Ford station wagon.



Rewald

Two weeks ago, Magistrate Bert Tokairin said Rewald should turn in the car and "take the bus" before he asked the public to pay for his defense. Tokairin said he also wasn't satisfied that Rewald had looked hard enough for an attorney.

Gedan said anyone living in Los Angeles has to have a car, but Rewald should consider a small Honda instead of a big Ford.

Gedan said Rewald should immediately start paying 25 percent of his \$1,000-a-week salary to Carruth, who agreed to work for the appointed counsel rate of \$20 to \$30 an hour, plus expenses.

Gedan then ordered the federal probation office to figure out how much Rewald would need to live on, considering his wife is able to

work and they are caring for only the youngest three of their five children.

Gedan said he'll then adjust Rewald's legal payments accordingly.

Rewald is working as a personal consultant to California businessman Ronald Kauffman, who has also paid Rewald \$25,000 for his life story under a contract that could bring Rewald 50 percent of any profits.

Rewald said he's already pledged close to \$200,000 from the life story to pay existing legal bills.

Rewald said he also has always intended to give money to any of more than 400 investors who lost some \$22 million they put into his firm.

Gedan said Rewald isn't entitled to live in anything better than a "moderate, conservative" style so long as the public is paying any part of his legal bills.

But he said he didn't want to cut Rewald's income to the point where Rewald would have no incentive to work because he could do better on welfare.

Under the current ruling, Gedan has left Rewald \$39,000 in gross income a year, or \$3,250 a month.

Gedan, warning Rewald about a possible conflict of interest on attorney Carruth's part, gave Rewald 24 hours to think over the arrangement.

Peyton said Carruth may have a conflict because he is also representing an accused spy, Richard Smith, in a case in which Rewald may be a defense witness.

Both Smith and Rewald say they are innocent because the CIA made them do what they did.

Smith claims the CIA used Rewald's firm as a contact point when it ordered Smith to sell secrets to a Soviet agent in a counter-intelligence operation.

Rewald claims the CIA set up his firm, used it for intelligence gathering, then pulled out and let the company collapse.

Peyton said Levine and his office already have a conflict because the father of one of Levine's staff attorneys lost money in the collapse of Rewald's firm.